



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday, August 2, 2006

Electricity

Storm Briefly Knocks Out Power to 450,000 Customers in Quebec Aug. 1

A violent thunderstorm with winds of more than 60 mph caused a major power outage in Quebec, affecting hundreds of thousands of customers. At its peak, over 450,000 customers lost power, although some were without power for only a few minutes. Latest available information indicates that thousands of people still remained without power 12 hours later.

<http://www.canada.com/topics/news/national/story.html?id=22d72937-21cb-4892-980b-f5d75e3f32da&k=77071>
http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20060802/quebec_storm_060802/20060802?hub=Canada

Heat-Strained Equipment Failures Lead to Outages in U.S. Northeast, Midwest Aug. 2

The heat wave affecting the Midwest and Northeast today strained the electricity infrastructure and caused minor outages in several states. At the time of this writing, 33,900 combined outages have been reported. In Massachusetts, 17,700 Nstar and National Grid customers lost power. In the Detroit, Michigan area 5,000 DTE customers lost power. In Ohio, 2,700 AEP customers lost power. In Pennsylvania, 2,500 PSE&G customers lost power. In the Queens borough of New York City, 1,000 Con Edison customers lost power. Yesterday, Con Edison worried that distribution cable failures could lead to outages in New York City.

<http://www.columbusdispatch.com/news-story.php?story=202780>
http://wcbstv.com/topstories/local_story_214090303.html
<http://news.bostonherald.com/localRegional/view.bg?articleid=151107>
<http://www.courierpostonline.com/apps/pbcs.dll/article?AID=/20060802/NEWS01/60802028/1006>
<http://www.detnews.com/apps/pbcs.dll/article?AID=/20060802/UPDATE/608020442>

Midwest ISO Issues Stage 2 Alert

For the second consecutive day, the Midwest Independent Transmission System Operator issued a Stage 2 energy emergency alert for its central and eastern market territory, including Ohio, Illinois, Missouri and Kentucky. The alert, which limits the use of electricity in parts of the region, was issued as continued high temperatures stretch power resources.

Reuters, 12:15 August 2, 2006

ISO New England Issues Power Watch

ISO New England issued a power watch, beginning at 12:15 today, for New England. Electricity use is expected to reach record levels as extreme heat and humidity continue.

Reuters, 12:47 August 2, 2006

Boston, New York, Washington Among Cities Declaring Heat Emergencies

As a heat wave continues for the second day, excessive heat warnings have been issued covering portions of 23 states from eastern Oklahoma to southern Maine, according to the National Weather Service. Heat emergencies have been declared in Boston, New York, and Washington, among cities. Yesterday, grid operators in New England and New York State both reported all-time peak demand records.

Bloomberg News, 11:39 August 2, 2006

PPL to Expand Susquehanna Nuke Plant near Berwick, Pennsylvania

PPL Corp. plans to increase the production capability of the Susquehanna nuclear power plant that currently produces 2,360 MW. PPL has applied to the NRC to increase the generating capacity of the two reactors by 100 MW each. In addition, PPL is considering the possibility of more than doubling the generating capacity at its Holtwood Dam on the Susquehanna River; talks are under way with the FERC about increasing the hydroelectric generating capacity from 109 MW to 234 MW.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BijjmsuuYSect%3EEvbfel%5Dv>

Fire Alarms Set Evacuation of Fermi II Nuke in Motion - Extreme Humidity May have Been Responsible

On July 31, fire alarms led to as many as 50 workers to evacuate the Fermi II nuclear plant. No smoke or fire was seen and no damage or injuries were reported. According to a representative of the NRC, the alarms may have been triggered by the extreme humidity in the area, but the exact cause is not known and is under investigation. By early August 2, the unit returned to full power.

<http://toledoblade.com/apps/pbcs.dll/article?AID=/20060801/NEWS17/608010348>

Explosion at Power Substation Causes Outage in Idaho

At about 12:45 p.m. on July 31, an explosion at a power substation caused a power outage that affected over 8,000 customers in Idaho.

<http://www.kpvi.com/index.cfm?page=nbcstories.cfm&ID=2969>

Update: Southern's 924 MW Hatch 1 Nuke Unit in Georgia at Full Power Aug. 2

The reactor returned to full power today after being reduced over the weekend due to a faulty relay switch. The unit was operating at 96 percent yesterday.

Bloomberg News, 11:10 August 1, 2006

Hot, Dry Weather Straining TVA Power System

The Tennessee Valley Authority's power system is being strained by hot and dry weather, which is forcing conservation actions and aggressive lowering of tributary lakes.

http://pro.energycentral.com/professional/news/power/news_printer_friendly.cfm?id=6980554

Petroleum

Offshore Oil and Gas Drillers in Gulf Threatened by Tropical Storm Chris

The U.S. National Hurricane Center announced that Tropical Storm Chris may become the year's first Atlantic hurricane late today or early Thursday. Chris' path is predicted to head north of Puerto Rico tonight, cross between Cuba and Florida early Aug. 7, and then head into the Gulf of Mexico. Offshore oil and gas drillers in the Gulf of Mexico are concerned the storm may shut or damage oil and gas platforms, and are preparing to shut down and evacuate employees by this weekend if the storm stays on its predicted course. The Gulf's offshore platforms provide about a quarter of U.S. oil production. Gulf Coast refineries represent about two-fifths of U.S. gasoline output.

Bloomberg News, 14:36 August 2, 2006

Bloomberg News, 14:39 August 2, 2006

Bloomberg News, 11:35 August 2, 2006

Reuters, 11:55 August 2, 2006

(see Natural Gas article)

U.S DOJ Approves BP's Plans to Drain Oil Pipeline in Alaska

The U.S. Department of Justice has approved BP's plans to drain an oil pipeline in Alaska, despite the pipeline being the focus of a criminal investigation following a major oil spill in March. BP plans to drain 17,000 barrels of crude oil remaining in the OT-21 crude oil transit line on the Alaska North Slope. The company is waiting for approval from the U.S. Department of Transportation.

Reuters, 13:59 August 2, 2006

U.S. DOE Secretary Bodman Says Impact of Oil on U.S. Economy is Limited Thus Far

On August 2, Secretary Sam Bodman said that although high crude oil prices have had some impact on U.S. economic growth, the impact is not as great as what was seen during the energy price shocks of the 1970s. Secretary Bodman said that if exports from Iran are cut, there would clearly be an impact on crude oil prices, but that the world's consumer nations are prepared to deal with such a cutoff by using their strategic oil stocks.
Reuters, 13:49 August 2, 2006

Update: Shell's 340,000 b/d Deer Park Refinery Catcracker Now Producing

The catalytic cracking unit at Shell Oil Co.'s Deer Park, Texas refinery resumed production August 2. A refinery spokesman said that a pin-hole leak in a pipe had caused the problem.
Reuters, 11:29 August 2, 2006

Natural Gas

Qatar, Exxon, ConocoPhillips to Build 2 Billion cf/d LNG Terminal in Texas

Qatar Petroleum, Exxon Mobil, and ConocoPhillips received the official authorization to build a 2 billion cf/d Golden Pass LNG terminal on the coast of Texas.
http://www.energyintel.com/DocumentDetail.asp?document_id=181362

Offshore Oil and Gas Drillers in Gulf Threatened by Tropical Storm Chris

(see Petroleum article)

Glut Looms for LNG Tankers

<http://www.theroyalgazette.com/apps/pbcs.dll/article?AID=/20060801/BUSINESS/108010120>

Other News

MSHA Lists Rules for Forming Coal Mine Emergency Response Plans

Underground coal operators must cover seven key areas in emergency response plans.
http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6977992

Energy Prices

U.S. Oil and Gas Prices August 2, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	76.05	73.95	61.87
NATURAL GAS Henry Hub \$/Million Btu	8.63	6.71	8.38

Source: Reuters

Energy Notes

UK, California Sign Agreement to Address Global Warming

<http://www.platts.com/Electric%20Power/News/8566508.xml?p=Electric%20Power/News&sub=Electric%20Power>

Constellation, Areva, MWX Form Partnership to Build Nuke Plants

<http://www.platts.com/Nuclear/News/7628411.xml?p=Nuclear/News&sub=Nuclear>

Iraq To Begin Talks With Big Oil Firms In Two Months on Developing Oil Fields

Reuters, 08:25 August 2, 2006

Senate Approves More Offshore Drilling in Gulf: Differs from House Version

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6981381

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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